

SKYLEASE LIMITED

COMPANY REGISTRATION NUMBER: 1447258

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 1999



SKYLEASE LIMITED

DIRECTORS' REPORT

The directors submit their report together with the financial statements of the Company for the year ended 31 December 1999.

DIRECTORS AND DIRECTORS' INTERESTS IN SHARES

The directors during the year were as follows:

P Buckingham

R J Manley

J L Roberts (resigned 31 October 1999)

R S Smith (appointed 1 October 1999)

Mr P Buckingham is also a director of Thomson Travel Group plc and Britannia Airways Limited, his share interest is detailed in the Annual Report and Accounts of Thomson Travel Group plc.

Messrs R J Manley and R S Smith are also directors of Britannia Airways Limited and their share interests in Thomson Travel Group plc are detailed in the Annual Report and Accounts of Britannia Airways Limited.

REVIEW OF THE BUSINESS

The Company did not trade during the year.

AUDITORS

The Company is exempt from the obligation to appoint auditors as otherwise required by Section 384 of the Companies Act 1985, as it was a dormant company as defined by Section 250 of the Companies Act 1985.

By Order of the Board



R STRONGMAN
Company Secretary

1 March 2000

London Luton Airport
Luton
Bedfordshire
LU2 9ND

SKYLEASE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RELATION TO FINANCIAL STATEMENTS

The directors are required, in accordance with accounting principles generally accepted in the United Kingdom, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the result of the Company for that period.

The directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

SKYLEASE LIMITED**BALANCE SHEET AT 31 DECEMBER 1999**

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
Current Assets			
Debtors	4	9,635	9,635
		-----	-----
Total Assets Less Current Liabilities		<u>9,635</u>	<u>9,635</u>
		-----	-----
Capital and Reserves			
Called up share capital - Equity	5	2	2
Profit & Loss Account		9,633	9,633
		-----	-----
		<u>9,635</u>	<u>9,635</u>
		-----	-----

The Company was dormant for the period 1st January 1999 to 31st December 1999 within the meaning of Section 250 of the Companies Act 1985.

The financial statements on pages 3 to 5 were approved by the Board of Directors on 1 March 2000 and were signed on its behalf by:



R S Smith
Director

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999**1) BASIS OF ACCOUNTING**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2) CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The Company is a wholly-owned subsidiary of Britannia Airways Ltd and is included in the consolidated financial statements of Thomson Travel Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Thomson Travel Group plc.

3) DIRECTORS' EMOLUMENTS AND EMPLOYEES

The directors are paid by other group undertakings and no part of their remuneration is regarded as being in relation to their services to this company.

The Company has no employees, other than the directors (1998: Nil).

4) DEBTORS

	<u>1999</u>	<u>1998</u>
	£	£
Amounts due from group undertakings	9,635	9,635
	-----	-----

5) CALLED UP SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
	-----	-----
Issued and fully paid:		
2 ordinary shares of £1 each	2	2
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NOTES TO THE ACCOUNTS - 31 DECEMBER 1999 (CONTINUED)

6) PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial year, the Company did not trade, received no income and incurred no expenditure. Consequently during those years the Company made neither a profit nor a loss.

7) ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Britannia Airways Limited. The ultimate parent undertaking and controlling party is Thomson Travel Group plc. Copies of its group accounts, which include the company, are available from the Company Secretary, Greater London House, Hampstead Road, London NW1 7SD.